

minority students and white students. Currently, African-Americans enroll in higher education at 85 percent the rate of white students. Latinos enroll in higher education at only 80 percent the rate of white students. As a country, we need to work to close that gap, as the administration now proposes, not widen it.

By providing educational opportunities to talented minority students, affirmative action programs help benefit all of our society. We all benefit when students are allowed to fulfill their true potential. We all benefit from lower poverty rates, and higher income and employment rates. Students benefit from the interaction and learning that takes place among students from different racial and ethnic backgrounds.

Opponents of affirmative action rely on myths that are refuted by numerous studies and even by common sense. They argue that affirmative action is unfair to qualified white students. But as the Michigan admissions programs demonstrate, affirmative action programs do not involve special quotas or set-asides for minority students. A student's racial and ethnic background is one among many factors that are considered in determining admission. In addition to a student's grades, test scores and recommendations, universities consider such factors as whether student's parents are alumni, a student's socio-economic background, their geographic background and whether they have special artistic, athletic or other talents to contribute. Given the range of factors considered in college admissions, the true unfairness would come from saying race and ethnicity are the only factors that could not be considered.

Opponents also argue that affirmative action helps unqualified students. The University of Michigan's affirmative action program admits only qualified students. The success of minorities graduating from selective schools as measured by their graduation rate, their performance in professional and graduate school, and their success in future careers and as community leaders is well documented in a recent study by William Bowen and Derek Bok in their book "Shape of the River." Most of the African-American and Latino students accepted under affirmative action come from lower-income backgrounds than white students. They are more likely to have gone to segregated and poorly-funded schools, and much less likely to have parents who had attended college. Yet despite these disadvantages, their success was comparable to their white counterparts.

The administration suggests that it supports the idea of racial and ethnic diversity, but that it doesn't believe that one should use what it calls "racial preferences" to achieve this. This, however, is a cop-out that evades the key question posed by the Michigan case: that is, whether racial and ethnic

diversity is a compelling governmental interest. Not whether it is a merely good thing, but whether, given the central importance of integrated schools to our society, it is a constitutionally compelling interest.

Moreover, any suggestion that all universities can enroll a diverse student simply by relying on race-neutral programs, such as percentage plans is simply wrong. As a recent report by the U.S. Civil Rights Commission makes clear, percentage plans have failed to markedly affect enrollment of minorities at flagship state universities. In addition, these programs do not even purport to reach graduate or professional schools or private colleges, all of which would be affected by the Supreme Court's ruling.

In failing to support the University of Michigan's program, the Administration is undermining the central promise of the Fourteenth Amendment's equal protection clause. The equal protection clause was founded on the notion of providing equality of opportunity to all Americans, particularly those who had been disadvantaged by our country's history of discrimination. We have done tremendous work in this country to improve educational opportunities from elementary school through higher education, and to reduce racial inequities, but our work to fulfill the promise of the equal protection clause, and the core values that underlie our democracy is not done. I had hope that the administration would join those of us who seek to continue that struggle and I am tremendously disappointed in the decision they have made today.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. Mr. President, may I inquire, are we in a period for morning business?

The PRESIDING OFFICER. Yes.

NORTH KOREA

Mr. KYL. Mr. President, I wish to speak to the issue that is very much on everybody's mind today, and that is the question of what is going to happen on the peninsula of North Korea and how do the actions of the United States, with respect to the North Korean Government's violation of international agreements, affect our ability to deal with the current situation we face in Iraq.

Let me begin by saying that there have been attempts by people in the media to compare the threats between Iraq on one hand and North Korea on the other, sometimes I think in an effort to suggest that the President has misplaced his priorities. I would like to set the record straight.

I think the administration has made it clear, and others are very clear, that there is a big threat from both Iraq and North Korea. Make no mistake about it, it serves no purpose to try to compare those threats in some theoretical

way. Both have to be dealt with in their own way, and that also means in their own time.

The reason the administration began dealing with Saddam Hussein and Iraq is because that was left over business from the gulf war of 11 years ago where Saddam Hussein said—promised—that he would do certain things: That he would, for example, not have weapons of mass destruction or seek to acquire nuclear capability; that he would dismantle his missile program, and so on.

We know through our intelligence that he has failed time and again to comply with those requirements. He has even continued to shoot at our unarmed predator reconnaissance aircraft, as well as the manned aircraft we fly to do surveillance over the areas of Iraq we have been flying over, the so-called no-fly zones, ever since the end of the gulf war.

I note that is a kind of inspection. When people at the United Nations say Iraq is cooperating with the inspections, I wonder how much those pilots think this cooperation is for them when they are being shot at by the Iraqis. Some cooperation.

In any event, that is unfinished business with which we have to deal if international agreements are going to mean anything. The United Nations has resolutions. Saddam Hussein agreed to abide by them. He has not done so. The question is, At what point is the United Nations going to finally decide to enforce those resolutions? That is the point President Bush brought to the attention of the United Nations Security Council. They adopted a resolution that basically gave Saddam Hussein one last chance to show he was in compliance.

In the judgment of virtually everyone who looked at the document filed by Saddam Hussein allegedly demonstrating his compliance, it is a false and fraudulent document and shows that he is in noncompliance rather than the other way around, a result of which, sooner or later, we are going to have to deal with Saddam Hussein. That is where the President found himself prior to the evolution of the North Korean crisis.

In one respect it is timely for us to deal with Iraq because from a military standpoint, there is no question that we can deal with Iraq in a way that can minimize casualties, that does not involve a large threat that he will attack his neighbors. Fortunately, the Israelis have developed a missile defense program in the 11 years since the end of the gulf war and will probably be able to, through the Arrow missile defense system, handle any kind of Scud missile attack on them, and Saddam Hussein has not yet acquired a nuclear weapon, in our belief. As a result, he is not in a position to resist a U.S. effort to bring him into compliance with the U.N. resolution militarily in a way that we fear from a military standpoint.

On the other hand, the crisis in North Korea has now broken out, and we are

faced with a question of whether military action there is possible. Of course, it is possible. We should never take military action off the table. But we know that the capability of North Korea has evolved to the point where it would be much more difficult to take military action, among other reasons, because they have long-range missiles, they have nuclear weapons, we believe, and they have a lot of weaponry just a few miles across the DMZ from Seoul, Korea, where something like 8 or 10 million people are located, including a large number of American troops. As a result, that situation has evolved beyond the point where we believe it is efficacious to use a military solution to deal with the crisis. It is a good illustration of why we should deal with those problems before they get to that point.

Fortunately, Iraq does present the situation prior to that point that enables us to take military action there. Again, that crisis evolved, diplomacy failed, and it is a crisis ripe for resolution, if Saddam Hussein does not come clean for the world community and the United States, by military action.

We are not at that point with North Korea yet. That situation arose relatively recently. We have known for some time there had been violations of the agreement that North Korea made not to produce fissile material. They finally confessed to Under Secretary Kelly back in September that they had, in fact, been developing a uranium enrichment program for nuclear weapons. They pointed out that they still had not, however, violated the agreement to keep their plutonium program frozen, but in the last few weeks—in the last week actually—they decided to unfreeze their plutonium program, as a result of which that fissile material can be produced in relatively short order for inclusion in nuclear weapons.

It is our assessment that in a matter of a very short period of time North Korea could again begin producing a number of nuclear weapons. The threat to the world, obviously, is significant because Korea is the largest proliferator of weapons of mass destruction and missiles, and if they begin selling nuclear weapons, just imagine what the consequence would be if a Saddam Hussein or Muammar Qadhafi—someone like that—would purchase nuclear weapons from a country such as North Korea.

The point is, that is another crisis with which we have to deal. I do believe it is a crisis, and I believe it is a serious threat, but, as I said, it is a different kind of threat from what we are presented in Iraq.

The obvious solution is to do what the President suggested. North Korea has to meet a goal, and the goal is to dismantle its weapons program in a verifiable way. If it does not do so, it is going to have to face consequences. The President is willing to engage in a dialog with North Korea, but there has to be more than carrots at the end of

that dialog to entice North Korea to come into compliance.

North Korea also has to understand there can be consequences it will not like if it fails to reach an agreement that is enforceable, verifiable, and one that is acceptable to the rest of the international community.

It now has removed itself from the Nuclear Non-Proliferation Treaty. This is a very dangerous step. As a result, the United States and the other countries of the world need to take action. It would be possible to do so under chapters 6 and 7 of the U.N. Charter which provide for action by the United Nations in the event of a threat to international peace and stability. We could impose a resolution similar to that which applies to Iraq today, Resolution 661, which essentially has quarantined Iraq from export and import. We could do the same with North Korea saying no more would they be able to export weapons of mass destruction to generate hard currency or, by the way, illicit drugs, since their two biggest forms of making money are selling illicit drugs and weaponry which they should not be selling to countries. That would benefit the world. We would deny hard currency to North Korea and help prevent the further proliferation of these weapons of mass destruction.

Those are actions we can take today. Senators MCCAIN, SESSIONS, BAYH, and I introduced legislation Monday that provides a range of options of which the administration can take advantage. It ranges from dealing with the refugee crisis in North Korea to preventing repatriation of funds from other countries into North Korea—again denying hard currency—increasing the broadcasts of Radio Free Asia into North Korea, ensuring we are adequately prepared to provide a deterrent to military activity in the region. But probably the key to it is the reimposition of sanctions or imposition of new sanctions, such as Resolution 661 that applies to Iraq today.

Those are all the kinds of action that North Korea should understand could come about if it does not cooperate in these discussions that the administration would like to have. It seems to us that it is important to put those kinds of points in place so that in addition to the carrots this administration has suggested exist, there are some sticks out there, too, because we have seen in the past that North Korea tends to violate the agreements it signs; it tends to negotiate from the posture of strength. If it has cards on the table, such as its nuclear weapons and the ability to proliferate these weapons around the world, then we need some cards on the table as well.

Right now I do not think the rest of the international community has many cards on the table. In effect, we need to put an “or else” to the end of those negotiations so when we sit down and talk to them and they are intransigent, as they usually are, there is a point our

negotiators can say: Look, you either do this or else, and the “or else” has to have some meaning.

Dr. Kissinger made another important point, and that is the United States should not be in this alone. This is not our fight alone. South Korea, of all countries, has a stake in helping to resolve the situation, as does Japan, China, Russia, and other nations in the region.

It is important that those nations be brought into this, and I am glad to see the Chinese are willing to host some kind of a meeting and that perhaps other countries are willing now to be brought into the process of discussion so that whatever agreements are reached, it is a product of the entire group and not only the United States.

We should not put ourselves into the position of being the sole party to be blamed or for people to be looking to for enforcement of any agreement that may be entered into.

We have recently seen on the streets of South Korea our friends, the South Koreans, telling us they do not want us in their country anymore. Now that is a very bad turn of events because we have been great allies. We are great allies. We mean only to help South Korea to provide security assurances for their people.

What it does is tell Americans that if we are not wanted there, then perhaps we ought to leave. That is not the right message to be sending when stability in the region is so important to maintain. It would, of course, send the wrong signals to North Korea were we to begin pulling our troops out of South Korea. That is not the solution now. Perhaps someday it will be. If South Korea does not want the United States to remain, obviously we should not remain, but the right time to do this is after this crisis is resolved, not in the middle of the crisis.

There is a lot hanging in the balance. It seems to me when we analyze the situation in Iraq and in Korea, we have to appreciate that they are two totally different situations. There are some parallels. Both countries are part of the axis of evil. Both represent threats to the United States and other nations in the world. They both have to be dealt with, but they have to be dealt with in different ways. There is no confusion in the administration policy in this regard. There is no conflict. This is not a matter of having disparate policies. It is merely a matter of recognizing that it is a complex world and what works in one particular place may not work in another particular place.

That is why we have the two different policies, both of which I hope will involve the international community of nations. At the end of the day, the United States has to have a clear-eyed policy of its own, one that we are able to apply in a way that will help to protect our own national security. That is why I support what the administration and President Bush have been

trying to accomplish in bringing the situation in Iraq to the point where we can conclude one way or the other that Saddam Hussein has complied with the international obligations he agreed to, and bring that matter to a conclusion to enforce those agreements, while at the same time preparing to resolve the situation in North Korea in a way that will not break out in some kind of military conflict but will result in a situation in which North Korea has dismantled its nuclear program, its weapons of mass destruction proliferation program, and its missile development program in an enforceable and verifiable way.

I yield the floor.

The PRESIDING OFFICER (Mrs. DOLE). The Senator from Nevada.

EXTENSION OF MORNING BUSINESS

Mr. REID. Madam President, morning business expired at 2:30. Senator DOMENICI is in the Chamber, as well as Senator MURRAY, and there are two Republicans on the floor. Does Senator DOMENICI wish to be recognized speak?

Mr. DOMENICI. That is what I came down for.

Mr. REID. For how long?

Mr. DOMENICI. About 7 minutes.

Mr. REID. I ask unanimous consent that morning business be extended to allow Senator DOMENICI to speak for 10 minutes and Senator MURRAY for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico.

THE ECONOMY

Mr. DOMENICI. Madam President, I note that we have a little time before we are hopefully going to move on to the appropriations bills. I am very hopeful that the appropriations leaders, under the leadership of our new leader and Senator DASCHLE, will come forward with an approach that will permit us to wind up the business from last year that we have not finished yet.

That brings to mind the business of the year we are in, which we should be working on but cannot because we have not finished last year's work. So that is why we are doing it now.

The President of the United States is going to speak to the American people a few nights from now, and what most Presidents do, and the Cabinet members who work for the President, is sometime before the State of the Union they start talking to the American people about the principal problems that our Nation has and they throw out the ideas they are considering.

Consistent with that, everyone knows the American economy is, at best, a growth economy without new jobs or an American economy that has not come out of a recession. It looks as though it is the former rather than the latter, because if our method of measuring things is correct, we are growing.

That is, the gross domestic product is getting a little bigger every month and in a year it will be significantly bigger.

Let us start by defining how big is the gross domestic product. The sum total of all actions that are worth anything in America, that is the gross domestic product: \$10 trillion. We cannot even understand how big \$10 trillion is. Later in the year, we will compare it with other countries'. I surmise it probably is big enough so that it is bigger than all of Europe's. We could probably add in China, South America, and a couple of more countries, and it is probably still bigger than that.

For about 10 years, the economy not only was growing but it was adding jobs. As that happened, it miraculously started producing substantially more revenue than we had predicted.

Nobody has come to the floor nor have I heard anybody nationally tell us why it produced so much more revenue than we anticipated. Revenue is a substitute word for taxes, tax receipts. We did not know why, but it produced billions of dollars in taxes that we did not expect. So that is why we got a balanced budget ahead of schedule; tax revenue came in about \$60 billion more than we expected. So we got a balanced budget 3 years before we predicted, for which we all took credit. President Clinton took credit. Budget Committee Chairman DOMENICI took credit. Everybody took credit. I was chairman of the Budget Committee and we got four balanced budgets. Most of it came because we held expenditures down rather reasonably—not as much as we should have, but the revenues came in rather soundly on the high side.

Then what happened was the economy went through one of the smallest recessions in modern times. By that I mean, how many months did the economy stay in the red in terms of the growth in domestic product? How long was it shrinking instead of growing? If it shrinks for very long, people go out of work, companies do not sell their product. In other words, things that create wealth are not happening when it is shrinking.

So it was shrinking, but only for a short period of time, and then the measurement of the growth started going up. As a matter of fact, right now we are told that the economy is growing at about 3.5 or 4 percent. But people in this economy are not being hired, so unemployment is not going down, it is going up slightly.

For those who say how bad it is, obviously it is terrible when any American is out of work, but 6.1 or 6.2 percent unemployment is seen as high unemployment only in the last 12 or 15 years. Prior to that, 6, 6.5, 7 percent was pretty good in the American economy. We have grown to expect better of it, but certainly it is not in a state of depression. People in this economy are not being hired because something is happening internally that is different. It may be the huge drop in the stock market has something to do with it.

We cannot say that for certain. People do not want to believe that. Powerful thinkers say it really is not, but I think probably it does have something to do with it.

In addition, investment by businesses produces wealth, so they can hire more people. What do I mean? A filling station owner buys another filling station and invests \$350,000, and he hires 12 full-time people. That is an increase. To get there, he had to put money in it. Money is not being invested in new actions that cause people to be employed.

What we have to do is take this giant economy, \$10 trillion, and give it a kick by putting some more money into it. That will make these transactions start moving again. Anyone who comes to the Senate saying, let's have a tiny package, the President's package of \$600 billion over 10 years is too much; so, what do you want? Say, \$100 billion. Of that, how much goes into the economy to be spent? Well, \$60 billion. And you think \$60 billion will kick the economy so it will grow \$10 trillion with \$60 billion? The economy will not even know it happened. \$60 billion is a mouse. The economy does not need a mouse giving it a kick. The economy needs an elephant and a donkey and some cars to run into it, give it a real kick. It has to have real money, not little tiny boxes of raisins.

One time someone wanted to start the economy up, some president wanted to give everyone a bit of money and it was so small that one Senator said, don't bother with it. The Internal Revenue can just get up on top of buildings and drop \$50 bills and people will pick them up. Sure, they will spend them. That is the real way to stimulate the economy. Of course, we did not do that.

I am talking about how much. The President's numbers of \$660 to \$700 billion over 10 years is said by Senators on that side to be way too much. Way too much for what? The deficit will get too big. Would you like the economy to stay like it is, in a state of neutrality where it is not generating any revenue? If that is the case and you want to get into balance, you have to cut everything 10 or 15 percent. America last reduced its budget in a recessionary period when Hoover was president. That is now known as Hooverism. Or Hoover economics. Great man. Solid economist. Great geologist. A great idea. Except when the economy is not going, you do not cut the budget, you spend on the budget or you cut taxes.

We will be spending, do not worry, because we are in a war. But you have to put tax cuts in place so the Government puts money in the hands of people; money they would not otherwise get. If they are already going to get it, you do not give it to them because that money is already in the economy. So you give them money they are not going to otherwise get. Cut their taxes, change the marriage tax penalty so they keep more money, reduce the brackets so you are in a lower bracket